

[**LTFRB MEMORANDUM CIRCULAR NO. 2005-037, November 14, 2005**]

ACCEPTANCE OF APPLICATIONS/PETITIONS FOR NEW CERTIFICATES OF PUBLIC CONVENIENCE (CPCS) FOR COMPRESSED NATURAL GAS (CNG) AIR-CONDITIONED AND NON-AIRCONDITIONED PUBLIC UTILITY BUSES (PUBS) AND PROMULGATING ITS OPERATIONAL GUIDELINES

Pursuant to Department Order 2005-010 "Policy Guidelines on the Exercise of Authority and Functions by the Land Transportation Franchising and Regulatory Board," the LTFRB can now amend or modify, in part or in its entirety, existing Department Order(s) previously issued by DOTC governing the powers and functions of LTFRB. As such, Department Order 2004-34 "An Order Promoting the Operation of CNG Buses in the Country", is hereby modified to initiate the acceptance and processing of Applications for New Certificates of Public Convenience (CPCs) for CNG-fed Air-conditioned and Non-airconditioned PUBs. The following operational guidelines shall be adopted under the Government's Natural Gas Vehicle Program for Public Transport (NGVPPT):

1. *Issuance of Franchise.* DOE accreditation is a requirement for LTFRB issuance of franchises to applicant Bus Companies. Applications for CPCs shall be accepted upon filing with the LTFRB Technical Evaluation Division (TED). Pro-forma Invoice (PFI) may be accepted as a basis for RMC certification. However, CNG PUB units shall be presented to the TED for inspection prior to LTFRB release of Decision. Applicants are required to acquire and physically present the number of CNG PUB units reflected under the PFI not later than 31 December 2005.
2. *Franchise Period.* All brand new CNG-fed PUBs shall be granted a franchise for ten (10) years. However, applications for Sale and Transfer shall not be allowed within the initial five (5) year-period of the franchise or CPC.
3. *Required CNG PUB units.* Franchises shall be issued only to the first 207 CNG buses to operate along the South Luzon routes passing through CNG filling stations to be established by DOE with the agreed preferential CNG price of Php 14.52 per diesel liter equivalent (DLE). Should a portion of the 207 CNG bus units be delivered (FOB-Manila) before 31 December 2005, CPC applications shall still be accepted with same preferential CNG price/DLE, subject to the availability of RMC.
4. *Routes and Route Measured Capacities (RMC).* The following routes and the corresponding RMCs shall be allowed under the Government's Natural Gas Vehicle Program for Public Transport (NGVPPT).

Routes	RMC
a) Lawton - Batangas City	89 units
b) Lawton - Calamba	60 units
c) Lawton - Sta. Rosa via Balibago	54 units
d) Ayala - Sta. Rosa via Balibago	4 units

207 units

5. *Garage and Terminal Inspection.* A joint DOTC/LTFRB and DOE Inspection Team shall be created to ensure compliance with basic technical requirements. However, the terminals shall be transferred upon completion of South Luzon Routes Inter-modal Terminals.
6. *Markings and Decals.* A distinct marking scheme shall be assigned to CNG buses to include corporate color scheme, international CNG symbols for natural gas vehicles, DOTC/LTFRB and DOE logos.
7. *Fare Regulation.* Fares for CNG PUBs shall be subject to the regulation of the Board.
8. *Franchise Processing Express Lane.* LTFRB shall establish an express lane for CNG PUB applications. As such, publications period for said applications shall be for five (5) days only in a newspaper of general circulation. Moreover, LTFRB franchise processing shall be completed within fifteen (15) working days from the Date of Inspection.

Other rules and regulations that are inconsistent with the provisions of this Memorandum Circular are hereby repealed and/or modified accordingly.

This Memorandum Circular shall take effect fifteen (15) days following the filing of three copies hereof with the UP Law Center, pursuant to Presidential Memorandum Circular No. 11, dated 09 October 1992.

SO ORDERED.

Adopted: 14 Nov. 2005

(SGD.) MARIA ELENA H. BAUTISTA
Chairperson

(SGD.) GERARDO A. PINILI
Board Member

(SGD.) MA. ELLEN DIRIGE-CABATU
Board Member

